

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 18-23538-shl

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5 In the Matter of:

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7 SEARS HOLDING CORPORATION, et al.,

8

9 Debtors.

10 - - - - - x

11 United States Bankruptcy Court

12 300 Quarropas Street, Room 248

13 White Plains, NY 10601

14

15

16 April 13, 2023

17 11:11 AM

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21 B E F O R E :

22 HON. SEAN H. LANE

23 U.S. BANKRUPTCY JUDGE

24

25 ECRO: A. VARGAS

1 HEARING re Doc. #10832 Notice Of Agenda

2

3 HEARING re Doc. #10800 Order Scheduling status conference

4 Re: Beau LeBaron

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6 HEARING re Doc. #10825 Notice Of Hearing/Notice of status

7 conference Re: Beau LeBaron

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25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

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3 WEIL GOTSHAL MANGES LLP

4 Attorneys for Debtors and SRZ Liquidating Trust

5 767 Fifth Avenue

6 New York, NY 10153

7

8 BY: GARRETT A. FAIL

9 PHILIP DIDONATO

10 FURQAAN SIDDIQUI

11

12 ALSO PRESENT:

13 Beau LeBaron, Pro Se

14 William Murray, M3 Partners

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1 P R O C E E D I N G S

2 THE COURT: So, with that we'll move on to the
3 11:00 matter, which is Sears Holdings Corporation. And so,
4 let me find out who is here for that case, and I will start
5 with Mr. LeBaron.

6 MR. LEBARON: Yes, I'm here.

7 THE COURT: All right. Good morning to you, sir.

8 MR. LEBARON: Good morning.

9 THE COURT: And then let me find out who else is
10 here for that case, including the Liquidating Trust?

11 MR. FAIL: Good morning, Judge. Garrett Fail,
12 Weil Gotshal & Manges for the Liquidating Trust, and with me
13 in the virtual courtroom is Mr. Bill Murphy from M3 on
14 behalf of the Liquidating Trust.

15 THE COURT: All right. Good morning.

16 MR. FAIL: I also have my colleagues, Phil
17 DiDonato and Furqaan Siddiqui here, as well. Thanks.

18 THE COURT: All right. Good morning to you all.
19 And so, let me see if I can set the stage here because this
20 conference was set at my request, my understanding is that
21 Mr. LeBaron was, I believe, a contract employee for the
22 Debtors and he filed a proof of claim and had some questions
23 and issues. There were some pleadings back and forth and I
24 think where it was left off in front of Judge Drain some
25 time ago, was that the parties were going to have a

1 discussion and then figure out, sort of, what next steps,
2 whether there's some things they could agree upon, things
3 that they profoundly disagreed upon. And so, at a certain
4 point I inherited the case when Judge Drain retired, and I
5 did get some inquiries from Mr. LeBaron and thought that
6 lack of -- sometimes if people don't know where things
7 stand, it leads to some confusion and some inefficiencies.

8 So, I thought it made sense to just have brief
9 status conference to sort of check in and see where things
10 are and where we go from here to try to wrap up any issues.
11 That might mean agreements, it might mean having a matter
12 that needs to be litigated, it could look a lot of different
13 ways, but clarity is always good. So, I thought since Mr.
14 LeBaron, you had the questions, I thought it made sense to
15 hear from Mr. Fail first just to sort of set the stage on
16 things and then we can take it from there. So, Mr. Fail?

17 MR. FAIL: Thank you, Judge, and thanks for
18 setting this up. So, you're right about the procedural
19 posture. There were claims that Mr. LeBaron filed a year
20 after the unsecured -- general unsecured bar date and the
21 pre-petition bar date, and six months after confirmation, we
22 had a hearing before Judge Drain, who basically eliminated
23 the duplicate claims and said that Mr. LeBaron could have
24 another opportunity to try to justify the late filing of the
25 claims to have them be addressed, and that's where it's been

1 left off in Court.

2 Subsequently, and, you know, throughout the course
3 of this, Your Honor has received correspondence, Judge Drain
4 has received correspondence. We have here, I think, by last
5 counts, there's somewhere between 300 and 400 emails that
6 we've received from Mr. LeBaron. If -- but I think, there's
7 a simple way to kind of frame this. And if it please the
8 Court, my colleague, Mr. Siddiqui can put up an exhibit.
9 But let me just start out at a high level to frame this,
10 Judge. We're not looking to spend a lot of estate resources
11 on this, and I think we're looking for the most efficient
12 way to bring this to a conclusion.

13 Can Mr. Siddiqui share his screen?

14 THE COURT: Sure. That would be fine.

15 MR. FAIL: Thank you.

16 THE COURT: And again, my only caveat is, today's
17 the status, we're not going to have a knock down/drag out
18 fight. Okay.

19 MR. FAIL: This is simply a status conference to
20 establish -- 100 percent not looking for -- not looking to
21 adjudicate anything. Oh, I think you need to -- the Court
22 would need to allow Mr. Siddiqui to share his screen.

23 THE COURT: All right.

24 CLERK: (Indiscernible.)

25 THE COURT: Can we -- hold on a second. Can we

1 share the -- allow someone to share their screen with us?

2 CLERK: For someone else to share a screen?

3 THE COURT: Yeah. Counsel.

4 CLERK: Can you show me (indiscernible).

5 THE COURT: Hold on, one minute.

6 MR. FAIL: Thank you.

7 THE COURT: Seems to be the morning for

8 interesting technical things, so my apologies.

9 MR. FAIL: You know what, Judge? We don't -- if
10 it's -- if it's troubling, we don't have to do it. I can
11 walk you through it.

12 THE COURT: We'll give it 45 seconds and if we can
13 make it work, great, if not, just --

14 MR. FAIL: Absolutely.

15 THE COURT: So, I know the "national emergency"
16 will be over May 11th, but for those of us who are not 35
17 and younger, it can't happen soon enough. So -- all right.
18 And I shouldn't say that because I have a son who does
19 computer science stuff, so he had to get the gene from
20 somewhere, but I'm just too out of date, so I'm mortified to
21 admit.

22 CLERK: Okay, I'm going to make him a co-host.

23 THE COURT: All right. Hold on a second. We're
24 going to make you a co-host, which should allow you to share
25 your screen.

1 CLERK: And then once he's done --

2 THE COURT: All right. Give it a shot.

3 MR. FAIL: Thank you, Judge.

4 THE COURT: Oh, don't thank me because you know I
5 had nothing to do with it.

6 MR. FAIL: Well, I'd say --

7 THE COURT: All right.

8 MR. FAIL: So, this is -- this is a summary of
9 what the Debtor and then the Liquidating Trust has been able
10 to discern has been asserted in the claims in the various
11 pleadings. Obviously, Mr. LeBaron could correct or bring us
12 up to date. But since I'm going first, this is what we see
13 he was seeking, a total of \$70,000. So, just to put it all
14 in perspective, you know, we don't want to spend a ton on
15 this. But if we break it down in the right-hand column, I
16 think just for the Court to remind itself and for Mr.
17 LeBaron, the Debtor filed bankruptcy on October 15th, 2008 -
18 - '18, 2018, wrong case, 2018. And so, everything before
19 that we're calling pre-petition, so that's \$21,000 out of
20 the \$70,000. Pursuant to the Bankruptcy Code, as you know,
21 Judge and for Mr. LeBaron, certain amounts, up to \$12,850 in
22 this case, could possibly be entitled to priority.
23 Otherwise, the rest is a general unsecured claim, which, as
24 Your Honor knows and for Mr. LeBaron's benefit, are not
25 currently receiving distributions and, you know, the

1 likelihood that they will is remote. So, from the first
2 column of pre-Petition claims, what folks could be playing
3 for, you know, is \$12,850.

4 Then there was a year -- there was a post-petition
5 period where the Debtors operated for only a few months
6 before selling their assets and their business and
7 operations to transform. So, the post-petition period,
8 while the Debtors were in operation, we can discern that
9 there's roughly \$13,300 being asserted there. And then the
10 other half that's being asserted, appears to be for a period
11 where the Debtors did not run the business or a business
12 that Mr. LeBaron continued to work for. So, just at a super
13 high level, 50 percent could possibly be on our watch, 50
14 percent is not.

15 Another way to slice this, looking at the pre-
16 petition period, as I said is, \$12,850 out of the \$21,000 is
17 possibly money good from the (indiscernible). So, a total
18 of \$26,216.37 by our calculations is what we're possibly
19 talking about paying out, \$26,216. You know, this isn't a
20 hearing, but just so Mr. LeBaron can hear that this
21 Liquidating Trust has reviewed and given consideration to
22 the claims that are currently late and not really pending in
23 our view. But he's seeking, in the first two lines, wages
24 and vacation wages. According to the records that we have,
25 he wasn't a salaried waged employee. He was entirely

1 compensation based. So, there's no basis that we have to
2 allow the \$13,000, roughly, that's being sought for those
3 categories.

4 The next two categories of unlawful deductions and
5 commissions relate, as best we can tell, Mr. LeBaron sold
6 jobs for the Sears Home Improvements business, and then
7 before they were paid for, they were canceled or there were
8 issues with them. And pursuant to the company policy on how
9 commissioned salespeople are compensated, if the company
10 doesn't get paid or the jobs don't go through, then the
11 salespeople don't earn a commission. So, as best we can
12 tell, that's what he's claiming, but, you know, we don't
13 believe there's an entitlement to it.

14 There's \$20,000 being sought through an Employee
15 Benefit Plan. We don't have a record of anything like that.
16 The Debtors' records and now the Trust records show that
17 there was a Plan that Mr. LeBaron withdrew from and a
18 balance of less than \$300 was transferred and he should have
19 had access to it, so we don't think that there's merits to
20 that.

21 And then the remainder appears to be on
22 Transform's watch, if anything, so we don't have any kind of
23 record or liability for that. We're not looking to kind of
24 make anybody's life harder, certainly not looking to take up
25 this Court's time or Mr. LeBaron's time pursuing recoveries

1 where there can't be any. We're happy to try to find a way
2 to end this in an efficient way, whether it's today or
3 shortly thereafter. But given Mr. LeBaron's pro se status,
4 you know, expect that we would want the Court to bless and
5 relieve us all, from any further burdens if there was
6 anything offered or paid.

7 But wanted to let this Court know and Mr. LeBaron
8 know that the Trustee, due to consideration to the merits of
9 the allegations, and unfortunately just don't see -- just
10 don't see the liability here.

11 THE COURT: All right. So, Mr. LeBaron, I'm happy
12 to hear from you, but let me just see if I can distill a
13 couple of things that I think you should think about. And I
14 think we can stop the screen sharing now, so -- great.
15 Thank you.

16 MR. FAIL: Thank you.

17 MR. LEBARON: Thank you.

18 THE COURT: So, whenever we have claims that are
19 filed, it's my duty as a Judge then to adjudicate claim
20 objections, figure out how things should be treated. And
21 there are a couple of things that, without deciding the
22 merits of any arguments, there are things that I see would
23 have to be decided by me if there's a litigated proceeding,
24 meaning people can't agree on something. One is, what is
25 actually on the Debtor's watch and what's on the new

1 company's watch, so when the new company took over. Now, I
2 realize from your perspective, that's not a great thing to
3 hear, right. Because from your point of view, you're
4 working and it's -- but the reality is in Bankruptcy Court,
5 that I have jurisdiction here in the Court by virtue of
6 these cases over the Debtor and what happened to the Debtor
7 after the Plan was confirmed, and a new buyer who comes in
8 and runs the business and may have liabilities by virtue of
9 things like people working there, is not something that is -
10 - if that's the case, truly the case, then that's something
11 that isn't necessarily part of the bankruptcy for purposes
12 of a claim. It's not a very -- again, not a very helpful
13 thing to hear as a claimant because you're not viewing the
14 world that way at all, which I completely understand. But
15 it's something that, in the interest of sort of full
16 disclosure to just tell you some things to think about and,
17 sort of, where we might go from here. So, that's one
18 aspect.

19 Another aspect is, I understand there's -- you
20 heard something about a late filed claim. There's lots of
21 rules and case law about a late filed claim and what happens
22 is, that if someone objects to that, then I have to decide
23 it under the applicable legal standard, which is something
24 that is set well before I took the bench 12 and a half years
25 ago, something called the excusable neglect standard, and

1 look at that issue. So, that's another, sort of, big
2 picture issue out there.

3 And I guess the third big picture issue is that
4 Mr. Fail mentioned different buckets, timeframe-wise, of
5 claims and certain things pre-petition, post-petition, and
6 then after the sale. And those can be very relevant in
7 understanding treatment because unfortunately, there's a lot
8 of bad news to hand out in bankruptcy. And he mentioned
9 unsecured claimants right now not getting anything in the
10 case and that is -- that is my understanding, as well.

11 Now, there are certain categories of claims that
12 are treated different than general unsecured claims and he
13 mentioned priority claims, and they are in their own
14 separate category. And there are certain things that
15 trigger that status and other things that don't. And there
16 are some very specific rules set forth in the Bankruptcy
17 Code, we don't make them up on the fly. They have to do
18 with timing and kinds of things, the kind of claim that it
19 is. And so, that's -- that gets a little -- it's a little
20 less -- it's a big point, but in terms of figuring that
21 stuff out, it's very detailed, so you have to look at the
22 counterclaim, you have to look at the time, and all those
23 things. You don't necessarily get there, depending on how
24 the first two issues might be looked at, one is the late
25 file claim and the other is, who -- on whose watch the

1 liability is incurred.

2 So, those are three things that jump out to me as
3 a judge that would have to be decided. And so, here's --
4 I'm happy to going to hear from you in one second. My
5 thought with something like this is to give the parties a
6 brief chance to have a conversation and see if they can work
7 something out that's efficient here and makes sense for all
8 sides. If you did, you would come back to me in Court to
9 ask me to bless that settlement so that it would be a full
10 and final resolution of things, and that's fine.

11 MR. LEBARON: Right.

12 THE COURT: If you don't reach an agreement,
13 that's fine too. Then what -- the next step would be to
14 have a hearing and to figure out, to resolve any outstanding
15 objections there are. But what I would want to do is set a
16 timeframe for all that, so people sort of know they have a
17 certain amount of time to negotiate. And then after that,
18 people can file whatever additional pleadings they want and
19 then we'll set a hearing.

20 So, my thought is that setting some timeframes are
21 always helpful because this has obviously hung around for a
22 while. It's not in anybody's best interest to have that
23 happen. So, it's a good idea to get this done one way or
24 the other at a certain point.

25 So, my thought would be to give people, say 45

1 days, 60 days to chat, then set a deadline for any
2 additional submissions that might make sense, and then we
3 could schedule a hearing if it comes to that. So, I'm
4 trying to give you my perspective on where we are, the
5 issues that I see and what procedure would look like to go
6 from where we are to the end.

7 And so, with that, Mr. LeBaron, anything that you
8 wanted to ask about or information you wanted to pass along,
9 recognizing that we're not litigating any of these claims
10 today.

11 MR. LEBARON: I'll be very quick.

12 THE COURT: Yep.

13 MR. LEBARON: Okay, so, first of all, thank you
14 Court for letting -- setting me something. I know that Mr.
15 Fail received a lot of emails from me, and I apologize for
16 all the messages. I was taking care of my mom here during
17 that time, and it was somewhat of a difficult time because I
18 was just extremely busy. You know, taking care of person
19 with cancer at that point was a full-time job for me.

20 THE COURT: I'm sorry to hear that.

21 MR. LEBARON: So, I -- my (indiscernible) came
22 sporadically in between here, and I apologize for a lot of
23 my emotional outbursts during that time. I was pretty -- I
24 don't know, I was in the moment, if you know what I mean.

25 So, with that being said, with regards to the

1 numbers that you guys were talking about, I really would
2 appreciate some kind of numbers, some kind of date because
3 as far as I see it, I was let go from Sears at 6/12/2019. I
4 believe that sounds about correct. And when you're talking
5 about the pre-petition, the \$12,850, then you said something
6 about \$26,000 regarding the various -- in between the pre-
7 petition and for the time when Transform actually takes
8 over. What happened here is really, a large amount of this
9 number was sent to you guys by the California Labor Board.
10 So, I went to the California Labor Board thinking this was
11 the route.

12 THE COURT: Right.

13 MR. LEBARON: And they decided to submit it for
14 me, and when they put it through, you know, the \$20,000 was,
15 sort of, life insurance policy, and I thought I was
16 considered a W-2 commissioned compensation project
17 consultant. So, I was actually a W-2 employee as far as I
18 know. I wasn't a contract vendor. I'm being shown as one.
19 I believe I'm -- maybe I'm being shown different in the
20 wrong zone for this payment because truly, this is regarding
21 wages. These issues are not in California, wages are wages,
22 and I was a W-2 employee. I get a W-2, you know, tax form.
23 Taxes were paid, my insurance was paid. They paid for my
24 expenses. I was in training. I met all those standards in
25 California.

1 So, I think in that area, I'm not exempt, I'm
2 actually an employee. And I think in that sense, I believe
3 the Labor Board, when they sent me to you, is the idea was
4 that I was gunning for a certain amount, but the pre-
5 petition amount I wasn't allowed to come after, according to
6 them. That was the Labor Board. I was already late to the
7 bar date at that point. And I guess my only statement to
8 Mr. Fail is this, I was required by Sears to run
9 appointments every day from the 11th of November, the
10 beginning of basically the bar date, I guess the notice went
11 out, which I don't even remember ever seeing a notice. I
12 know around April the 9th I was told of the notice of some
13 kind, and we were told to ignore that as if we were working
14 for Sears still. Keep working. And we worked every day,
15 five days a week for 16 hours a day, we were fielding
16 appointments. There's no time for anything else. You do
17 that, then you go home, and you turn in the orders you make.
18 I knew one mindset: make revenue for the employer. They
19 needed us to generate revenue. And that was for the -- as
20 far as I'm concerned, for these entire activities, this
21 bankruptcy. I was trying to help the Debtor by generating
22 revenue for everything I did. That was my goal. So, now
23 I'm going to have a war with them --

24 THE COURT: Mr. LeBaron, one thing that I'll ask
25 Mr. Fail, whether this would be helpful or not, I don't know

1 if you have -- if he has a W-2, if that would be helpful to
2 share with you where you all have a full -- sort of a full
3 set of information on this or not.

4 MR. FAIL: I don't think it matters, Judge. I
5 mean, I appreciate it. I'm happy to --

6 MR. LEBARON: (Indiscernible) --

7 THE COURT: Hold on. Hold on, Mr. LeBaron, I just
8 asked Mr. Fail a question, so we can't talk at the same
9 time. So, go ahead, Mr. Fail.

10 MR. LEBARON: Sure.

11 MR. FAIL: I don't think it matters for our
12 purposes because I was using the categorization not, you
13 know -- whether it's commission and he's owed that or not,
14 the way that we read what he was asking for seemed to be an
15 hourly wage and an hourly vacation. It's just unclear to us
16 what he is asking for because we're not looking to litigate,
17 you know, excusable neglect, you know, and have five
18 different trials to just get to the merits, Judge. It's
19 just unclear what he's asking for. I don't think the W-2
20 matters though.

21 THE COURT: All right. So, here's -- so what I'd
22 like to do is to give you a chance to chat and what I think
23 Mr. LeBaron would be helpful is, the California Labor Board
24 is not -- does not necessarily view these things the same
25 way the bankruptcy world does.

1 MR. FAIL: Right.

2 THE COURT: The Bankruptcy Code trumps all that.

3 And again, for your purposes, it makes life a little

4 confusing, more than a little confusing.

5 MR. LEBARON: I agree.

6 THE COURT: So, what I think would be helpful is

7 to do this. I'm going to give you 60 days to have

8 conversations and see if you can work something out that's

9 sufficient. In the next two weeks though, Mr. LeBaron, I

10 think it would be helpful to send an email, just one, just

11 one email --

12 MR. LEBARON: I get you.

13 THE COURT: -- and it would contain the following

14 information: very plain statement, not dressed up in the

15 categories of the California Labor Board, as to what you

16 think you're entitled to. So, if it's wages and benefits,

17 it's wages and benefits, and for what periods of time. And

18 you mentioned the date when you think things ended, then

19 that's -- that would be helpful to have that as well.

20 MR. LEBARON: Okay.

21 THE COURT: And so -- and if you have a question

22 about timing, meaning that you don't understand particular

23 elements of some dates that Mr. Fail mentioned or where he's

24 getting those dates, you can put those questions in there.

25 And also, just for ease of just everybody on the same page,

1 I would enclose a copy of whatever W-2, most recent W-2 you
2 have in terms of your employment status because I think
3 that's what will -- my sense is, I could be wrong, but my
4 sense is that will really govern whatever your claim really
5 is because it would be, whatever I was entitled to get as an
6 employee for these periods of time, and then that way nobody
7 has to guess.

8 And if you could do that in about two weeks, send
9 one email, so just a short statement, shouldn't be 15 pages,
10 should be more like three or four, you can put a chart and
11 whatever you think is the clearest way to explain it. Don't
12 worry about whatever the California Labor Board said --

13 MR. LEBARON: I will do that.

14 THE COURT: -- and just explain it in plain
15 English. And then Mr. Fail will have then a couple of weeks
16 to get back to you -- two weeks to get back to you. He can
17 do something in writing. Also, put in your contact
18 information so that he can respond or somebody that he works
19 with can respond. And then you also then have a little bit
20 of time to have a discussion.

21 If the discussion goes somewhere and you want to
22 put something in front of me for approval, great. I will
23 say, I think Mr. Fail mentioned it a few times and he's
24 right, that the process for resolving claims objections is -
25 - it's about fairness and everybody being heard, which is

1 great, but it also means that a small claim will often take
2 the same amount of court time as the large claim.

3 MR. LEBARON: Okay.

4 THE COURT: And it means that it's going to take
5 time of yours and of the Liquidating Trust and of a lot of
6 folks. And there are times when that makes a lot of sense,
7 and there's time when it makes less sense. I am the person
8 who has to decide these things if people can't agree and
9 that's what I'll do. But it doesn't necessarily mean that
10 having me decide is the most wise course of action.

11 MR. LEBARON: I got you.

12 THE COURT: Now, you know -- so, for all these
13 things, there -- the more issues there are to litigate, that
14 means the more things that I have to decide and the more
15 time we might spend in court. It also means that more legal
16 jeopardy that folks have in terms of the success of their
17 claim, as a matter of going ahead with Court. That's all
18 for you to judge in the first instance. I'll look at it
19 when it comes to me if I have to decide.

20 So, what I'll do is, I'm going to ask Mr. Fail to
21 put together a letter just with a schedule and it'll have --
22 the schedule will have two weeks from today that you submit
23 something to him, two weeks after that, he or somebody at
24 his office gets back to you with a response, gives you about
25 another 30 days to discuss. If that doesn't work and you

1 don't reach your resolution, which again, most things in
2 Bankruptcy Court, most things do get resolved that way --

3 MR. LEBARON: (Indiscernible) --

4 THE COURT: -- because people recognize that
5 litigating in front of me, while I certainly like to think
6 I'm a nice, pleasant person, is not the best way to spend
7 your time in life. If that doesn't work, then what I would
8 ask is that we put together a deadline for people to file
9 any other submissions that they want to make, and I think
10 probably would make sense for Mr. Fail to go first to say
11 here's what his objection is, what he wants to pursue in
12 terms of objecting to your claim, and that can be some, you
13 know, probably 75 days out. I would think if we're talking
14 about 60 days to chat, 75 days and then Mr. LeBaron, you can
15 have another couple of weeks to respond to that. And then
16 you can leave open a hearing date and we'll probably tie it
17 to an omnibus hearing date. But we'll make sure to give
18 everybody plenty of notice so that people could make time in
19 their schedules. And that's how we would do it.

20 What I might encourage, and I'd be open to
21 suggestions this way, is if we're going to have a hearing,
22 rather than having just argument is to have an evidentiary
23 hearing, just have one hearing, do it all at the same time
24 so folks don't have to come back more than once. But you're
25 closer to it than I am, so since it -- since Mr. Fail, on

1 behalf of the Liquidating Trust, would be the party making
2 the objection, I'll leave it to him in the first instance as
3 to what his request would be, whether he wanted to have an
4 evidentiary hearing and just address everything at once or
5 whether he thinks it's appropriate to just have essentially
6 an argument without any testimony or need for evidence.
7 Again, you're in a better position to judge that than I am.

8 So, Mr. LeBaron --

9 MR. LEBARON: May I ask a question, please?

10 THE COURT: -- go ahead. Yeah, please.

11 MR. LEBARON: Sorry to interrupt you, sir. I
12 actually have a question for Mr. Fail. Do you have the
13 compensation policy from California only for consultants?
14 Do you have a copy of that? And if not, I could send you a
15 copy of that. I think it might help and I think also what
16 might help is --

17 MR. FAIL: I'm happy to review that. That might
18 be helpful, so I appreciate that, and we can certainly speak
19 -- that would be fine. Why don't you send that to me and
20 then --

21 MR. LEBARON: I'm going to send that to you guys.
22 I'm also going to send you, in my initial claim there's two
23 Excel sheets, one large one that's got all of the
24 information from all of my pay, from all the specific
25 payouts. It's really all pre-petition there only. So,

1 whatever came after the petition at that point, the number
2 after pre-petition -- to me, it was about \$23,000, so your
3 number \$26,000 is about right. You're sitting around
4 \$26,000, I think. The real number -- because the rest --
5 that was when I was with Transform as far as I'm concerned
6 and that is in California. I'm still having a hearing based
7 on this right now.

8 THE COURT: Yeah. Well, I think --

9 MR. LEBARON: That's Transform (indiscernible).
10 So, there's a big split.

11 THE COURT: Yeah, I think there is definitely a --
12 unless I've got -- we all have the facts wrong, there's
13 definitely a big dividing line once Transform takes over --

14 MR. LEBARON: There is.

15 THE COURT: -- and that's one of the reasons why
16 having a conversation makes some sense just because the
17 claim itself is going to be sort of half of whatever had
18 been contemplated just by virtue of the Transform sort of
19 situation. So, all right. So, what I'm going to ask Mr.
20 Fail to do is to draft a schedule. It can be just in a
21 letter. He'll send a copy to you; he'll send it to me.
22 What I normally do in those circumstances is, I write the
23 schedule is approved, so ordered. I put my name on it and
24 date on it, everybody gets a copy, and then you all will go
25 ahead and exchange information and chat. And then if we

1 need to get things decided, what I'll probably do is, I'll
2 wait to get the papers. If I have a question about what
3 kind of a hearing makes sense, we'll have another short chat
4 about that. It won't be as long as this one. It'll
5 probably be five or 10 minutes, but just so everybody's on
6 the same page. Hopefully, we can do that very briefly. And
7 we'll get it resolved one way or the other because a
8 resolution, I think that's the one thing everybody agrees is
9 in everybody's best interest.

10 So, we will do that. And with that, Mr. LeBaron,
11 any other questions you might have?

12 MR. LEBARON: That's it. Thank you very much.

13 THE COURT: All right.

14 MR. FAIL: Judge, I just want to say, we may also,
15 and I appreciate you gave us the flexibility to determine at
16 a later date, if it's necessary, the Court could also
17 estimate without further needs. We'll try to do everything
18 we can to try to avoid any of this, and if not, we'll do our
19 best to minimize --

20 THE COURT: I'm open to creative solutions. I'm
21 open to creative solutions --

22 MR. FAIL: All right, I appreciate it.

23 THE COURT: -- that might cut the Gordian knot, to
24 quote a phrase. All right. Well, thank you very much for
25 your time this morning.

1 MR. FAIL: Thank you for your time, Judge.

2 THE COURT: And I'll be talking to you all in the
3 not-too-distant future and have a good afternoon.

4 MR. LEBARON: Thank you very much.

5 THE COURT: Thank you.

6 (Whereupon these proceedings were concluded at
7 11:41 AM)

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I N D E X

RULINGS

	Page	Line
Set aside 60 days to attempt to settle	19	7
Mr. Fail will put together a schedule		
For Court approval.	24	20

C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.



Sonya Ledanski Hyde

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Date: April 17, 2023